



EVMS in Australia

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(Acquisition & Technology)

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Introduction

- History of Australian Earned Value Management (EVM)
- Defence Acquisition Organisation (DAO) structure
- Current initiatives
- Australian industry involvement
- International participation
- Conclusions

History

- 1986 - JPAC Report 243 recommended adoption of C/SCSC for major projects
- 1989 - Formation of dedicated focal point
- 1990 - First company validated
- 1990 - 1993 - Guidance documents developed
- 1992 - Mutual acceptance of validations
- 1993 - Exchange officer program started
- 1995 - Signed EVM MOU with US and Canada
- 1995 - 1997 - Chaired IPMC
- 1997 - EVM moved to Dir. Acq. Mgt. Sys.



Deputy Secretary Acquisition

FAS Capital Equipment Program

Head DAO DRP Implementation Team

- Acquisition Planning
- Acq. Finance & Reptg.
- Acq. Corporate Mgmt.

Head Industry & Procurement Infrastructure

- Contr. Pol. & Ops.
- Ind. Pol. & Progs.
- Exports & Intl. Progs.
- Acq. Mgmt. Systems
- DARO/QA
Transition

Head Systems Acquisition Electronic Systems

- Commd. & Suppt. Sys.
- Communication Sys.
- EW & Radar Sys.
- Strategic HF Sys.
- Business Management

Head Systems Acquisition Maritime & Ground

- Undersea Warfare Sys.
- Surface Warfare Sys. A
- Surface Warfare Sys. B
- Grnd. & Amphib. Sys.
- Business Management

Head Systems Acquisition Aerospace

- Aerosp. Warfare Sys. A
- Aerosp. Warfare Sys. B
- Aerosp. Warfare Sys. C
- Business Management

Defence Focus

- Early focus was on EVMS implementation
 - Not much expertise was available outside DAMS-EVM
 - DoD data usage and analysis varied
- In 1996, focus changed to improving quality and internal use of EV data
 - Train program office personnel
 - Establish better analytical capability
 - Emphasize timely reports

Current Initiatives

- Payment by Earned Value (EV)
- Contracting for EV services
- Earned Value Leadership Panel (EVLDP)
- Review process simplification
- Update policy and implementation guidance

Payment by Earned Value

- Used on all new contracts with EVM requirement
- Payments based on combination of EV progress and key milestones
- In use on a number of major projects:
 - ANZAC Frigates, Mine Hunter Coastal, Hydro Ship, Lead-In-Fighter, ANZAC Helos
- Interim policy in place

Results in better acceptance and use of EV data

Contracting for EV Services

- Create EV Consultancy Panel
- Scope of work would include:
 - EVMS review support
 - Data analysis support
 - Training
 - Studies
- Objective is to enable DAMS-EVM staff to do more project support
- Long-term goal is third party validation

Earned Value Leadership Panel

- Includes Acquisition and Service executives and selected PMs
- Objective is to foster better acceptance and use of EV data in DoD
- Forum to exchange views and ideas
- Accomplishments so far:
 - EV postings to the Services
 - Higher management is gaining a better understanding of EVM

Review Process Simplification

■ Use of IBR

- More project involvement
- Emphasis is on realistic baselines
- Does not replace validation reviews
- Reduction in post validation reviews

■ Simplified review reports

■ Involvement from outside DAMS-EVMS

■ Company EVMS representative on team

■ Joint surveillance

Update Policy and Guidance

- Aust. Cost Schedule Implementation Guide is being updated
- Cost Schedule Status Report Implementation Guide is being updated by APMA working group
- CSCSC and payment by EV contract clauses are next
 - DEFPUR 101 contains contract clauses

Other Initiatives

- Scheduling Data Item Description is being finalized
- Link risk management with EVM
- Continue to promote EVM in the project offices
- Establish centers of excellence in Tech Domains
- Develop an Industry EVM standard
- Use EV data for Defence funding forecasts
- Promote use of commercial software analysis tools
- Encourage submission of EV data via EDI

Australian Industry Involvement

- EVM used on numerous non-defense projects
- Australian Institute of Project Management still considering integration of EVM into body of knowledge
- DAMS-EVMS is working with Standards Australia to create a national standard
 - May use ANSI standard as a starting point

International Participation

- Original member of International Performance Management Council
 - Chaired IPMC from 1995 - 1997
 - Current representative is Mr. Subhash Dang
- Active in exchanging views and personnel
- Supportive of international aspects of EVM
 - Procuring materiel from several foreign sources

Conclusions

- Australia has made a lot of progress in a relatively short time
- Learn from Australia's experiences:
 - Payment by EV
 - EVMS on firm-fixed price contracts
 - International EVMS applications
- Continue productive exchange of people and ideas

Where to Find Info on Australian EVM

Australian EVM web site:

<http://www.iic.spirit.net.au/ams>

Australian PMA web site:

<http://www.austpma.org.au>